

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In re Applications of)
)
RURAL CELLULAR CORP., Transferor,)
)
and) WT Docket No. 07-208
)
CELLCO PARTNERSHIP d/b/a VERIZON)
WIRELESS, Transferee,)
)
For Consent to the transfer of Control of)
Commission Licenses and Authorizations)
Pursuant to Sections 214 and 310(d) of the)
Communications Act)

REQUEST FOR DECLARATORY RULING

Cellco Partnership d/b/a Verizon Wireless ("Verizon Wireless") hereby submits this request for declaratory ruling, pursuant to Section 310(b)(4) of the Communications Act¹ and the *Foreign Participation Order*,² to be incorporated with its applications in the above-captioned proceeding ("Applications"). Verizon Wireless requests the Commission to extend its current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass the licenses/authorizations and licensees/authorization holders to be transferred to Verizon Wireless as a result of this transaction. The Commission has previously approved Vodafone Group Plc's ("Vodafone's") minority interest in Verizon Wireless, as well as Vodafone's qualifications

¹ 47 U.S.C. § 310(b)(4).

² *Rules and Policies on Foreign Participation in the U.S. Telecomms. Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23,891, 24,033 (¶ 323) (1997) ("*Foreign Participation Order*").

(as a foreign corporation) to hold indirect interests in common carrier licensees, pursuant to Section 310(b)(4) of the Communications Act. No changes have occurred in Verizon Wireless' foreign ownership since that authorization was granted. Thus, the proposed transaction raises no new foreign ownership issues,³ and the Commission can and should extend the previous Section 310(b)(4) authorization to the licenses/authorizations and licensees/authorization holders included in the Applications.

I. THE COMMISSION HAS PREVIOUSLY GRANTED SECTION 310(b)(4) AUTHORITY TO VERIZON WIRELESS

As the Commission is aware, Vodafone, a company organized under the laws of the United Kingdom, holds a 45 percent indirect ownership interest in Verizon Wireless. The Commission previously determined that, "[b]ecause the United Kingdom is a Member of the World Trade Organization (WTO), under the Commission's *Foreign Participation Order*, we presume that the public interest would be served by authorizing, under Section 310(b)(4), common carrier radio licenses held by entities indirectly owned by Vodafone and citizens of the United Kingdom."⁴ The Commission authorized Vodafone to hold up to a 100 percent indirect foreign ownership interest in U.S. common

³ Four of the five FCC licensees/authorization holders to be acquired will be 100 percent owned by Verizon Wireless after consummation. The other, Wireless Alliance, LLC, ("Wireless Alliance") will be 70 percent owned by Verizon Wireless. The other 30 percent of this licensee is owned by T-Mobile USA, Inc. ("T-Mobile"), whose ownership in Wireless Alliance has already been approved by the Commission. *Deutsche Telekom AG, VoiceStream Wireless Corp., and PowerTel, Inc.*, Memorandum Opinion and Order, 16 FCC Rcd 9779 (2001) ("DT Order").

⁴ *Applications of AirTouch Commc'ns, Inc., Transferor, and Vodafone Group, Plc, Transferee for Consent to Transfer of Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 9430, 9434 (¶9) (WTB 1999).

carrier radio licensees.⁵ Subsequently, the Commission granted the request to allow Verizon Wireless to "be indirectly owned by Vodafone in an amount up to 65.1 percent" and authorized the transfer and assignment of numerous common carrier licenses including cellular, PCS, WCS and microwave authorizations.⁶ The Commission has since extended this authority to permit Verizon Wireless to acquire numerous additional common carrier licenses and authorizations.⁷

Verizon Wireless and Rural Cellular Corporation ("RCC") have filed Applications to request FCC consent to transfer control of the radio station licenses, leases, and international 214 authorizations held by RCC and its subsidiaries to Verizon Wireless. Verizon Wireless has agreed to acquire RCC through a proposed transaction that will result in RCC becoming a wholly-owned subsidiary of AirTouch Cellular (a U.S. corporation) and an indirect wholly-owned subsidiary of Verizon Wireless.

Verizon Wireless submits that the Commission need not issue a declaratory ruling, given the agency's prior Section 310(b)(4) rulings approving Verizon Wireless' current foreign ownership. Nonetheless, should the Commission determine that a new

⁵ See *id.*; *Int'l Authorizations Granted*, Public Notice, 15 FCC Rcd 116 (Int'l Bur. 1999).

⁶ *Applications of Vodafone AirTouch Plc and Bell Atlantic Corp., For Consent to Transfer Control or Assignment of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 16,507, 16,514 (¶ 19) (WTB & IB 2000) ("*Vodafone-Bell Atlantic Order*").

⁷ See, e.g., *Int'l Authorizations Granted*, Public Notice, 21 FCC Rcd 13,575 (2006) (granting Verizon Wireless' request to extend the existing foreign ownership ruling to AWS and other Wireless Communications Services licenses Verizon Wireless may acquire in the future); *Applications of Northcoast Commc'ns, LLC and Cellco P'ship d/b/a Verizon Wireless*, Memorandum Opinion and Order, 18 FCC Rcd 6490, 6492 (¶ 6 & n.15) (Comm'l Wireless Div. 2003) (finding that Vodafone's interest "ha[d] been previously approved by the Commission under section 310(b)(4)" and because "no changes have occurred in Verizon Wireless' foreign ownership since . . . these rulings[,] the applications raise no new foreign ownership issues").

declaratory ruling is necessary, Verizon Wireless hereby requests such a ruling extending its current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass the licenses/authorizations and licensees/authorization holders to be transferred to Verizon Wireless as a result of this transaction.

II. DESCRIPTION OF PROPOSED FOREIGN OWNERSHIP IN RCC, RCC ATLANTIC LICENSES, LLC, RCC MINNESOTA, INC. AND TLA SPECTRUM, LLC

Verizon Wireless will acquire a 100 percent indirect interest in four of the five licensees/authorization holders involved in the transaction – RCC, RCC Atlantic Licenses, LLC, RCC Minnesota, Inc. and TLA Spectrum, LLC. Verizon Wireless is a Delaware general partnership owned indirectly by Verizon Communications, Inc. (“Verizon”) and Vodafone. Verizon, a Delaware corporation, owns 55 percent of Verizon Wireless; Vodafone, a public limited company organized under the laws of the United Kingdom, owns 45 percent.

Vodafone previously received authorization from the Commission to hold its indirect interests in Verizon Wireless’s common carrier licenses and authorizations.⁸ In conjunction with the creation of the partnership, Verizon and Vodafone sought Commission approval, pursuant to Section 310(b)(4), for Vodafone to indirectly hold up to 65.1 percent of Verizon Wireless. The Commission granted the parties’ request, determining that “the public interest would be served by allowing the proposed indirect foreign ownership,” consistent with the Commission’s *Foreign Participation Order*.⁹ No changes have occurred in Verizon Wireless’ foreign ownership since that authorization

⁸ See *Vodafone-Bell Atlantic Order*.

⁹ *Id.* at 16,514 (¶ 19).

was granted. The instant petition seeks a declaratory ruling allowing Vodafone to hold the same indirect ownership interest of up to 65.1 percent in the licenses/authorizations to be acquired and any future licenses/authorizations to be acquired by RCC, RCC Atlantic Licenses, LLC, RCC Minnesota, Inc. and TLA Spectrum, LLC.

III. DESCRIPTION OF PROPOSED FOREIGN OWNERSHIP IN WIRELESS ALLIANCE

Verizon Wireless will acquire a 70 percent indirect controlling interest in Wireless Alliance, one of the RCC subsidiaries to be transferred to Verizon Wireless under the proposed transaction. The other 30 percent of Wireless Alliance is own by T-Mobile. The Commission has previously granted Section 310(b)(4) approval for T-Mobile to hold its 30 percent indirect interest in Wireless Alliance, stating “Wireless Alliance is authorized to be indirectly owned up to 30 percent by [Deutsche Telekom AG (“DT”)] and DT’s German shareholders.”¹⁰ That interest is unaffected and unchanged by the proposed transaction. The only change being effected by the transaction is Verizon Wireless' acquisition of a 70 percent interest in Wireless Alliance, which will result in an additional 31.5 percent non-U.S. ownership interest in Wireless Alliance by Vodafone. As noted above, the Commission has previously and repeatedly granted authority for Verizon Wireless to acquire up to a 100 percent indirect interest (and Vodafone to acquire up to a 65.1 percent indirect interest) in common carrier licenses and authorizations. Since those decisions, no changes have occurred in Verizon Wireless' foreign ownership.¹¹

¹⁰ *DT Order*, 16 FCC Rcd at 9848 (¶ 134).

¹¹ Because the Commission has previously authorized DT and Vodafone to each hold 100 percent indirect ownership in FCC licenses and authorizations, the foreign

IV. PUBLIC INTEREST STATEMENT

The public interest will be served if the Commission extends Verizon Wireless' current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass the licenses/authorizations and licensees/authorization holders to be transferred to Verizon Wireless as a result of this transaction. In the *Foreign Participation Order*, the Commission concluded that allowing additional foreign investment in common carrier wireless licensees beyond the 25 percent benchmark of Section 310(b)(4) will promote competition in the U.S. market, thereby serving the public interest.¹² The Commission, therefore, adopted a presumption in favor of allowing such investment if the investment is from entities organized under the laws of WTO Members.¹³ As the Commission previously concluded, Vodafone's principal place of business is the United Kingdom, a WTO Member.¹⁴

The Commission has already determined that the public interest would be served by allowing Vodafone to hold up to a 65.1 percent interest in the common carrier licenses held by Verizon Wireless.¹⁵ The same public interest rationale that applied in that decision should apply with equal force to the licenses/authorizations – and licensees/authorization holders – being acquired by Verizon Wireless as a result of the

ownership in each of the licenses and authorizations subject to this transaction is less than the level authorized for each of these companies.

¹² *Foreign Participation Order*, 12 FCC Rcd at 23,940 (¶ 111).

¹³ *Id.* at 23,913 (¶ 50), 23,940 (¶¶ 111-12).

¹⁴ *Vodafone-Bell Atlantic Order*, 15 FCC Rcd at 16,514 (¶ 18). Further, T-Mobile's foreign ownership is also from an entity organized under the laws of a WTO Member – Germany. *DT Order*, 16 FCC Rcd at 9784 ¶ 6.

¹⁵ *Vodafone-Bell Atlantic Order*, 15 FCC Rcd at 16,514 (¶ 19).

proposed transaction.¹⁶ The Commission should therefore issue a declaratory ruling extending Verizon Wireless' Section 310(b)(4) authority to acquire these licenses/authorizations, to the extent such extension of authority is needed.

V. CONCLUSION

For the reasons stated herein, and to the extent necessary, Verizon Wireless respectfully requests that the Commission extend its current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass the

¹⁶ Further, as noted in the Applications, the network security commitments previously made by Verizon Wireless and Vodafone in connection with an agreement with the United States Department of Defense, Department of Justice, and the Federal Bureau of Investigation, dated Dec. 14, 1999, will apply to the licenses and authorizations acquired as a result of this transaction.

licenses/authorizations and licensees/authorization holders to be transferred to Verizon Wireless as a result of this transaction.

Respectfully submitted,

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